COMPANY REGISTRATION NUMBER: 08010067

LIKEWISE GROUP PLC
(formerly William Armes Group Limited, formerly Foot Fall Distribution Limited)

ANNUAL REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2018

LIKEWISE GROUP PLC

Financial statements

Period ended 31 December 2018

Contents

LIKEWISE GROUP PLC

Officers and professional advisers

The board of directors	R Povey (appointed 17 December 2018) P P S Bassi (appointed 17 December 2018) A J Brewer (appointed 27 February 2018) A J W Simpson (appointed 27 February 2018) R W Long (resigned 27 February 2018) M West (appointed 21 May 2018, resigned 17 December 2018) A J Woodhouse (appointed 27 February 2018, resigned 17 December 2018)
Company secretary	R Povey
Registered office	C/O William Armes Limited Church Field Road Sudbury Suffolk CO10 2YA
Auditors	Crowe U.K. LLP Chartered Accountants & statutory auditor St Bride's House 10 Salisbury Square London EC4Y 8EH

LIKEWISE GROUP PLC

Strategic report

Period ended 31 December 2018

Introduction

The directors present their Strategic Report and the audited financial statements of the company for the 18 month period ended 31 December 2018.

Group overview

Likewise Group Plc is a distributor of floorcoverings and matting and has the opportunity to consolidate the domestic and commercial floorcovering markets to become one of the UK's largest distributors in this sector.

Currently, the UK domestic flooring market is worth circa £2 billion. The market remains fragmented with a number of larger industry competitors and many small local and regional companies. Likewise Group Plc believes that, through a number of industry and macro factors, the market will polarise towards larger competitors, and that the Likewise Group can be well positioned to benefit from this trend.

Likewise Group Plc intends to utilise the expertise and industry knowledge of the Board, Executive Board and Advisory Board to develop an alternative to larger industry competitors. Management believe this can be achieved through a mixture of organic growth, operational leverage and where appropriate acquisitions.

During the period, the Group has acquired the business of William Armes Limited and the trade and assets of Bruce Starke & Co Limited, both of which have been fully integrated into the Group and will form part of the core business.

Trading figures for both subsidiaries were in line with expectations and the change in ownership had no significant impact. Key members of staff were retained and the customer base was unchanged. Supplier relationships have been confirmed and built upon and will continue to develop.

These acquisitions have given the group a platform and base upon which to build and expand, both organically and through future strategic acquisitions.

Following the period end, the Company listed on The International Stock Exchange (TISE) and the directors believe that this public listing will provide a source of capital from which the Group can execute its growth strategy, raise the profile of the Group and provide the ability to incentivise key employees.

Business strategy

It is the belief of the Board that value can be generated for shareholders, suppliers and consumers by creating a national supplier and distributor of UK floorcoverings as a competing alternative to the current larger suppliers to the industry.

It is the intention of the Board that where future acquisitions are considered, they will focus around increasing scale, advancing the commercial and operational reach of the Group into new regions and consolidate the Group's overall market position.

Market and competition

The floor and wall covering market is made up of manufacturers, typically located overseas due to lower input costs and access to raw materials, distributors, retailers and installers. It is the strategy of Likewise Group to consolidate the distribution section of the market to gain national scale and gain pricing power with overseas manufacturers amongst other benefits.

The UK flooring market, is worth c.£2 billion and is expected to increase at a CAGR of 2.1% from 2019 to 2024, split between residential, commercial, public and industrial markets. It is the strategy of the Group to focus on the residential and commercial areas of the market.

The residential sector of the market is expected to increase as new homes are added to meet a structural demand for housing; c.160,000 new residential dwellings were added in 2018 alone. Additionally, home improvements, changing consumer demands and trends along with repair works creates further demand. Demand in the commercial sector should also remain robust over the medium term as new office space continues to be constructed.

Process for managing risk

The Board continually assesses and monitors the key risks in the business. Below describes the principal risks and uncertainties that could have a material impact on the Group's performance and prospects and the mitigating activities which are aimed at reducing the impact or likelihood of a major risk materialising. The Board does recognise, however, that it will not always be possible to eliminate risk.

Process for managing risk (continued)

Business Disruption
The Group's operations could be subject to disruption due to factors including incidents such as a major fire or failure of key suppliers. Incidents such as a fire at key premises or failure of key suppliers could result in the temporary cessation in activity or disruption of the Group's facilities impeding the Group's ability to deliver its products to its customers, adversely affecting its financial results. The Group has developed business continuity and disaster recovery plans. The Group also maintains insurance to cover business interruption and damage to property from such events.

Economic conditions
The Group is dependent on the level of activity in various markets and is therefore susceptible to any changes in economic conditions. Lower levels of activity in key markets in which the Group operates could reduce sales volumes adversely, thus affecting the Group's financial results. The Group monitors trends in the key industries and markets the Group operates in.

Political conditions
The decision to leave the European Union could have an impact on the Group's business in the UK and Europe. Imports and exports of goods with the EU could be subject to tariffs or other charges, which increase costs and reduce the Group's profit margins. There may also be some disruption to the supply chain with additional delays at the ports of entry. The Group will monitor the UK and EU negotiations to ensure pricing reflects the increased cost of operations.

Post balance sheet events

On 9 January 2019, the Company allotted 70,000,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totalling £7,000,000.
An additional 60,000,000 new shares were authorised but not issued at that date.

On 11 January 2019, the Company listed on The International Stock Exchange (TISE).

On 31 January 2019, Likewise Trading Limited, a subsidiary of the Company, acquired 100% of the share capital of Lewis Abbott Limited with consideration paid via an intercompany loan from Likewise Group Plc.

On 16 April 2019, the Company acquired the entire issued share capital of Heatseam Limited.

On 18 April 2019, the Company allotted 32,000,000 new £0.01 Ordinary shares for consideration of £0.25 per share, totalling £8,000,000.

Key Performance Indicators

The Board consider the following as key performance indicators (KPIs) for the Group: revenue, operating profit and cash flow. The Board members review these for each of the businesses on a monthly basis. Individual subsidiaries have additional key performance indicators specific to their operations. Sales and orders are also monitored against budget on a weekly basis by the executive management team.

Key performance indicators for the 18 months to 31 December 2018 were as follows:

		£
Revenue		4,015,265
Operating Profit	-	724,642
Operating Cash Flow	-	793,608

This report was approved and signed on behalf of the board by:

A J Brewer
Director
Date: 20/06/2019

Directors' report

Period ended 31 December 2018

The directors present their report and the audited financial statements of the company for the 18 month period ended 31 December 2018.

Group overview

During the period 1 July 2017 to 8 January 2018, the Company was dormant.

On 9 January 2018, the Company acquired the entire share capital of William Armes Holdings Limited for consideration of £1,700,000. William Armes Holdings Limited is a holding company whose subsidiary, William Armes Limited, has the principal activity of the wholesale distribution of floor coverings and associated products.

On 6 March 2018, the Company changed its name from Foot Fall Distribution Limited to William Armes Group Limited. The Company additionally changed its registered address from Unit 4 Witton Business Park, Cartmel Road, Blackburn, Lancashire, BB2 2SZ to Church Field Road, Sudbury, Suffolk, CO10 2YA.

On 10 July 2018, the Company incorporated Likewise Trading Limited as a 100% owned subsidiary of the Company.

On 25 July 2018, the Company changed its name to Likewise Group Limited.

On 28 September 2018, Likewise Trading Limited purchased the trade and assets of Bruce Starke & Co Limited, a wholesale distributer of floor coverings and associated products.

On 17 December 2018 the Company subdivided its 100 £1 Ordinary shares into 10,000 £0.01 Ordinary shares. Subsequent to this, on the 17 December, the Company allotted 49,990,000 new £0.01 Ordinary shares for consideration of £700,000, resulting in share premium of £200,100.

On 24 December 2018 the Company re-registered as a public company by the name of Likewise Group Plc.

Principal activities

The principal activity of the group is the wholesale distribution of floorcoverings and associated products.

Results and dividends

Revenue for the period amounted to £4,015,265 (2017: £Nil). Profit before taxation was £1,137,457 (2017: £Nil).

The directors have not proposed a dividend for the eighteen months to 31 December 2018 (2017: £Nil).

Financial risk management objectives and policies

The three key risks the Company monitors are interest rate risk, liquidity risk and credit risk.

The Board reviews and agrees policies for managing these risks and they are summarised below.

Interest rate risk
The Group finances its operations through a mixture of retained profits and bank borrowings. The Group's borrowings consist of variable rate overdraft facilities, invoice discounting facilities and bank loans.

The interest rates charged are reviewed and re-negotiated periodically.

Liquidity risk
The repayment terms of the floating rate loans have been structured to be serviced from cash generated by operating activities. Short-term flexibility is achieved through overdraft facilities.

Credit risk
The credit rating of significant customers is monitored regularly.

Directors

The directors who served the company during the period were as follows:

R Povey (appointed 17 December 2018)
P P S Bassi (appointed 17 December 2018)
A J Brewer (appointed 27 February 2018)
A J W Simpson (appointed 27 February 2018)
R W Long (resigned 27 February 2018)
M West (appointed 21 May 2018, resigned 17 December 2018)
A J Woodhouse (appointed 27 February 2018, resigned 17 December 2018)

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they are required to prepare the consolidated financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the Company financial statements on the same basis. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

• select suitable accounting policies and then apply them consistently;
• make judgements and estimates that are reasonable and prudent;
• state whether they have been prepared in accordance with IFRSs as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business; and
• prepare a Directors' Report and a Strategic Report which comply with the requirements of the Companies Act 2006

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of Crowe U.K. LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors and signed on behalf of the board by:

A J Brewer
Director
Date: 20/06/2019

LIKEWISE GROUP PLC

Corporate Governance Report

Period ended 31 December 2018

Introduction

The Directors acknowledge the importance of the principles set out in the QCA Corporate Governance Code.

Whilst there is no regulatory requirement for the Company to comply with the QCA Corporate Governance Code, the Directors intend to apply the QCA Corporate Governance Code, as far as they consider appropriate.

Directors and Board

Three separate boards have been established to deliver the Group's long term strategy:

The PLC Board
The PLC Board will be responsible for execution of the strategy and ensuring the Group meets with the requirements expected of a listed business. This board includes Andrew Simpson (non-executive director), Anthony Brewer (Chief Executive Officer), Roy Povey (Chief Financial Officer) and Paul Bassi (independent non executive Chairman) each of which have previous listed company experience and have a wealth of experience in the UK floorcoverings industry.

Executive Board
The Executive Board will report to the PLC Board and will be responsible for operational delivery and be in control of the day to day trading, sourcing and integration of new acquisitions and management of head office operations. This board includes Adrian Laffey, Martin West and James Kellet who have a wealth of experience in the UK Floorcoverings market.

The Advisory Board
The Advisory Board will report to the PLC Board and will provide guidance and industry insights to assist in the delivery of the Group's strategy. The Advisory Board is composed of individuals with extensive experience of both the UK and global floorcoverings markets including Andrew Woodhouse, Keith Yates, Paul Wiseman, Stuart Large and Geoff Duggan.

Board committees

The Board intends to meet regularly to consider strategy, performance and the framework of internal controls. To enable the Board to discharge its duties, all Directors will receive appropriate and timely information. Briefing papers will be distributed to all Directors in advance of Board meetings. All Directors will have access to the advice and services of the Secretary, who will be responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. In addition, procedures will be in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

The Board considers it necessary and appropriate to establish an audit committee. The audit committee will be responsible for reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant, considering annual and interim accounts and audit reports, considering the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The Board also intends to establish a remuneration committee that will be responsible for, inter alia, the Group's remuneration policy and for reviewing and recommending all Directors' and senior executives' remuneration, bonuses and incentives.

The Board also intends to establish a nominations committee with responsibility for identifying suitable candidates to be appointed as directors as and when a vacancy may arise. This committee will only meet as required.

Relations with shareholders

Private investors are encouraged to participate in the Annual General Meeting.

This report was approved and signed on behalf of the board by:

A J Brewer
Director
Date: 20/06/2019

Independent auditor's report to the members of Likewise Group Plc

Period ended 31 December 2018

Qualified Opinion

We have audited the financial statements of Likewise Group plc (the “Parent Company”) and its subsidiaries (the “Group”) for the period ended 31 December 2018, which comprise:

• the Group statement of comprehensive income for the period ended 31 December 2018;
• the Group and Parent Company statement of financial position as at 31 December 2018;
• the Group and Parent Company statement of cash flows and statements of changes in equity for the period then ended; and
• the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph below:
• the financial statements give a true and fair view of the state of the Group’s and of the Parent Company's affairs as at 31 December 2018 and of the Group’s profit for the period then ended;
• the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
• the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
• the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

With respect to inventories, with carrying amounts of £1,093,012 as at the acquisition date of William Armes Holdings Limited, the audit evidence available to us was limited because we did not observe the counting of the physical stock as at the acquisition date as that date was prior to our appointment as auditor of the group. We were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. The limitation on evidence of existence of stock at the beginning of the period means that we were unable to obtain sufficient audit evidence to confirm the costs of sales recognised in the financial statements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group’s and the Parent Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

Materiality
In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements.

We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £30,000 based on a percentage of normalised result before tax.

Independent auditor's report to the members of Likewise Group Plc (continued)

Period ended 31 December 2018

Overview of our audit approach (continued)

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Directors to report to the board all identified errors in excess of £1,500. Errors below that threshold would also be reported to the board if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit
The Group has two principal operating locations, both in Suffolk, which have local accounting functions that report to the central management team. Our audit was conducted from the Group's locations in Suffolk and all Group companies were within the scope of our audit testing.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Revenue recognition	
Revenue is recognised in accordance with the accounting policy set out in the financial statements. The accounting policy contains a number of judgements, particularly in recognising when the risks and rewards of ownership have passed to the buyer. This is determined with reference to the underlying contract with the purchaser.	Our work focussed on validating that revenue is recognised in accordance with the accounting policies and that cut off was correctly applied through testing. We validated a sample of revenue items to confirm revenue was being recognised in line with IFRS ensuring the goods were delivered within the period. We also assessed the adequacy of the Group's disclosures related to revenue.
Valuation of inventory	
As at 31 December 2018 the value of inventory amounted to £1.77 million, representing 27% of total assets. Inventories were considered to be a key audit matter due to the size of the balance and because the valuation involvements judgement. There is a risk that some inventory may not be adequately provided or carried at the lower of cost or net realisable value.	Our audit procedures in this area included: - Attending inventory counts at the group's key operating locations - Assessing the compliance of the group's accounting policies with IFRS - Assessing the inventory valuation processes and practices - Validating the assessment made by management with respect to slow moving and obsolete stock
Acquisitions during the period	
During the year the Group made a significant acquisition of William Armes Holdings Limited and Bruce Starke and Co Limited for total consideration of £2.85m.	We reviewed the share purchase agreement to understand the terms of the transaction and we validated the consideration paid.
Accounting for business combinations is complex and requires the recognition of both consideration paid and acquired assets and liabilities at the acquisition date at fair values, which can involve significant judgement and estimates. There is a risk that inappropriate assumptions could result in material errors in the acquisition accounting.	We audited the statement of financial position as at the acquisition date to ensure that assets and liabilities were appropriately recognised at fair value. We challenged management's assessment of fair value including the freehold property and inventory, given the gain on bargain purchase recognised.
The Group has recognised a gain on bargain purchase (of £1.95 million) in respect of the acquisition of William Armes Holdings Limited. As disclosed in note 28, this is reflective of the trading conditions at the time of purchase and management have assessed that the fair value of assets and liabilities acquired is fairly stated.	

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on work undertaken in the course of the audit:

- The information given in the strategic report and the directors' report for the period for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

Other matter

The comparative information presented for the period from 01 January 2017 to 30 June 2017 is unaudited.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditor's report to the members of Likewise Group Plc (continued)

Period ended 31 December 2018

John Glasby (Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP
Chartered Accountants & Statutory Auditors
St Bride's House
10 Salisbury Square
London
EC4Y 8EH
Date: 20 June 2019

LIKEWISE GROUP PLC

Consolidated Statement of Comprehensive Income

	Notes	18 month period ended 31 December 2018 £	Unaudited 6 month period ended 30 June 2017 £
Revenue	6	4,015,265	-
Cost of sales		(2,190,003)	-
Gross profit		1,825,262	-
Distribution costs		(258,609)	
Administrative expenses		(2,293,695)	-
Other operating income	9	2,400	-
Operating loss		(724,642)	-
Gain on bargain purchase	28	1,945,377	-
Finance income	10	116	-
Finance costs	11	(83,394)	-
Profit before taxation		1,137,457	-
Taxation	12	14,960	-
Profit for the financial period		1,152,417	-
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit schemes		(10,000)	-
Revaluation of land and buildings		48,257	
Total comprehensive income for the financial period		1,190,674	-
Total comprehensive income for the financial period attributable to:			
The company's equity shareholders		1,190,674	-
Earnings per share			
Basic and diluted profit per share	13	0.58	-

LIKEWISE GROUP PLC

Consolidated Statement of Financial Position

31 December 2018

	Notes	31 December 2018 £	Unaudited 30 June 2017 £
Assets			
Non-current assets			
Property, plant and equipment	14	3,171,623	-
Deferred tax asset	16	63,725	-
Current assets			
Inventories	17	1,771,931	-
Trade and other receivables	18	1,181,825	-
Cash and cash equivalents	19	384,389	100
		3,338,145	100
Current liabilities			
Trade and other payables	20	(1,364,769)	-
Borrowings	21	(387,644)	-
		(1,752,413)	-
Net current assets		1,585,732	100
Non-current liabilities			
Borrowings	21	(2,130,306)	-
Employee benefit obligations	30	-	-
		(2,130,306)	-
Net assets		2,690,774	100
Equity			
Share capital	25	500,000	100
Share capital to be issued	25	800,000	-
Share premium	26	200,100	-
Revaluation reserve	33	48,257	-
Retained earnings	33	1,142,417	-
Total equity		2,690,774	100

These financial statements were approved by the board of directors and authorised for issue and are signed on behalf of the board by:

A J Brewer
Director

Date: 20/06/2019

Company registration number: 08010067

LIKEWISE GROUP PLC

Company Statement of Financial Position

31 December 2018

	Notes	31 December 2018 £	Unaudited 30 June 2017 £
Assets			
Non-current assets			
Investments	15	1,700,100	-
Current assets			
Trade and other receivables	18	2,163,277	-
Cash and cash equivalents	19	114,702	100
		2,277,979	100
Current liabilities			
Trade and other payables	20	(574,645)	-
Borrowings	21	(126,129)	-
		(700,774)	-
Net current assets		1,577,205	100
Non-current liabilities			
Borrowings	21	(2,130,306)	-
Net assets		1,146,999	100
Equity			
Share capital	25	500,000	100
Share capital to be issued	25	800,000	-
Share premium	26	200,100	-
Retained earnings brought forward	33	-	-
Loss for the period	33	(353,101)	-
Retained earnings carried forward		(353,101)	-
Total equity		1,146,999	100

These financial statements were approved by the board of directors and authorised for issue and are signed on behalf of the board by:

A J Brewer
Director

Date: 20/06/2019

Company registration number: 08010067

LIKEWISE GROUP PLC

Statements of Changes in Equity

31 December 2018

	Share capital	Share capital to be issued	Share premium account	Revaluation reserve	Retained earnings	Total
Consolidated	£	£	£	£	£	£
Balance at 31 December 2016	100	-	-	-	-	100
Profit for the period	-	-	-	-	-	-
Balance at 30 June 2017 and 1 July 2017	100	-	-	-	-	100
Profit for the period	-	-	-	-	1,152,417	1,152,417
Actuarial losses on pension scheme	-	-	-	-	(10,000)	(10,000)
Property revaluation	-	-	-	48,257	-	48,257
Shares issued	499,900	-	200,100	-	-	700,000
Shares to be issued	-	800,000	-	-	-	800,000
Balance at 31 December 2018	500,000	800,000	200,100	48,257	1,142,417	2,690,774

	Share capital	Share capital to be issued	Share premium account	Revaluation reserve	Retained earnings	Total
Company	£	£	£	£	£	£
Balance at 31 December 2016	100	-	-	-	-	100
Profit for the period	-	-	-	-	-	-
Balance at 30 June 2017 and 1 July 2017	100	-	-	-	-	100
Loss for the period	-	-	-	-	(353,101)	(353,101)
Shares issued	499,900	-	200,100	-	-	700,000
Shares to be issued	-	800,000	-	-	-	800,000
Balance at 31 December 2018	500,000	800,000	200,100	-	(353,101)	1,146,999

LIKEWISE GROUP PLC

Statements of cash flows

31 December 2018

	Consolidated		Company	
	18 month period ended 31 December 2018	Unaudited 6 month period ended 30 June 2017	18 month period ended 31 December 2018	Unaudited 6 month period ended 30 June 2017
	£	£	£	£
Cash flows from operating activities				
Profit/(loss) before tax for the period	1,137,457	-	(353,101)	-
Adjustments for:				
Depreciation	65,023	-	-	-
Gain on bargain purchase	(1,945,377)	-	-	-
Finance income	(116)	-	-	-
Finance costs	83,394	-	80,309	-
	(659,619)	-	(272,792)	-
Pension contributions	(20,000)	-	-	-
Decrease/(increase) in inventories	145,080	-	-	-
(Increase)/decrease in trade and other receivables	(231,092)	-	(2,163,277)	-
(Decrease)/increase in trade and other payables	(27,977)	-	574,645	-
Cash flows from operations	(793,608)	-	(1,861,424)	-
Income tax recovered	-	-	-	-
Net cash (outflow)/inflow from operating activities	(793,608)	-	(1,861,424)	-
Cash flow from investing activities				
Purchase of property, plant and equipment	(5,613)	-	-	-
Purchase of fixed asset investments	-	-	(1,700,100)	-
Net cash acquired with subsidiaries	(2,751,162)	-	-	-
Interest received	116	-	-	-
Net cash used in investing activities	(2,756,659)	-	(1,700,100)	-
Net cash flow from financing activities				
Interest paid	(83,394)	-	(80,309)	-
Consideration for new shares	1,500,000	-	1,500,000	-
New loans	2,256,435	-	2,256,435	-
Net cash inflow/(outflow) from financing activities	3,673,041	-	3,676,126	-
Net increase in cash and cash equivalents	122,774	-	114,602	-
Cash and cash equivalents at the beginning of financial period	100	100	100	100
Cash and cash equivalents at end of financial period	122,874	100	114,702	100
Comprising				
Cash at bank	384,389	100	114,702	100
Invoice discounting facility	(261,515)	-	-	-
	122,874	100	114,702	100

1 General information

The company is a public company limited by shares, registered in England and Wales. Post period end, on 11 January 2019, the Company listed on The International Stock Exchange (TISE). The registered company number is 08010067 and the address of the registered office is Church Field Road, Sudbury, Suffolk, CO10 2YA.

The principal activity of the Group at 31 December 2018 was the wholesale distribution of floorcoverings and associated products.

2 Basis of preparation

These financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Parent Company financial statements present information about the Company as a separate entity.

The financial information is presented in pounds sterling, which is the functional currency of the entity and rounded to the nearest £. The financial statements are prepared on the historical cost basis unless otherwise specified within these accounting policies.

During the period the accounting period was extended to 31 December in order to align with the year end of the trading subsidiaries. The current period therefore shows results for an eighteen month period. Comparative figures are for the 6 month period 1 January 2017 to 30 June 2017 and are unaudited.

Both the Company and consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as endorsed by the EU ("Adopted IFRSs"). On publishing the Company financial statements here together with the consolidated financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and statement of comprehensive income and related notes.

The company has adopted IFRS for the first time in these financial statements. The Company was dormant for previous accounting periods and therefore the accounts for previous periods were unaudited.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3 Accounting policies

Going concern

On 11 January 2019, the parent company listed on The International Stock Exchange (TISE) raising £7 million through an offer for subscription of shares.

Based on the listing of the parent company and after making enquiries and considering the progress of the Group during 2019, the directors have a reasonable expectation that the Group will be able to execute its plans such that the Group will have adequate resources to continue in operational existence for the foreseeable future. This provides the directors with assurance on the Group's ability to continue as a going concern, and therefore adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities, has exposure, or rights, to variable returns and can use its power to affect those returns. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Revenue recognition

Revenue comprises sales of goods excluding sales taxes.

Revenue and receivables are recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Finance income and costs

Interest income and expense is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant period.

3 Accounting policies ***(continued)***

Property, plant and equipment

Property, plant and equipment under the cost model are stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the costs can be measured reliably. All other costs, including repairs and maintenance costs, are charged to the Income Statement in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment and is calculated as follows:

Freehold property	-	2% straight line
Plant and machinery	-	12.5% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% - 33% straight line

Depreciation is provided on cost less residual value. The residual value, depreciation methods and useful lives are annually reassessed.

Each asset's estimated useful life has been assessed with regard to its own physical life limitations and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis for all machinery and equipment, with annual reassessments for major items. Changes in estimates are accounted for prospectively.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the Income Statement.

Revaluation of property

Individual freehold properties are carried at current period value at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the Income Statement.

Impairment of non financial assets

At each reporting date, the directors review the carrying amounts of the company's non current assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the directors estimate the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

Where an impairment loss on non financial assets subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior periods. A reversal of an impairment loss is recognised in the Income Statement immediately.

3 Accounting policies ***(continued)***

Inventory

Inventory is valued at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Income Statement.

Cash at bank

Cash at bank comprise cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less from inception.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs. Financial assets and financial liabilities are measured subsequently as described below.

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

Derivatives, including forward foreign exchange contracts, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Income Statement in finance costs or income as appropriate.

Financial assets

The company classifies its financial assets as “loans and receivables” and assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulty, high probability of bankruptcy or default are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The loss is recognised in the Income Statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the Income Statement.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial liabilities

The company’s financial liabilities include trade and other payables and borrowings.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities.

Trade and other payables and borrowings are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method (the “EIR”method).

3 Accounting policies *(continued)*

Financial liabilities *(continued)*

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Income Statement.

Loans and borrowings, including bank overdrafts, are classified as current liabilities unless the company has an unconditional right to defer the settlement of the liability for at least 12 months after the period end.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Foreign currency

The presentation currency for the company's historical financial information is pounds sterling. Foreign currency transactions by the company are recorded in their functional currencies at the exchange rate at the date of the transaction. Monetary assets and liabilities have been translated at rates in effect at the reporting date, with any exchange adjustments being charged or credited to the Income Statement.

Current taxation

Current taxation is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred taxation

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. No deferred tax is recognised on initial recognition of goodwill or on investment in subsidiaries. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the year end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full, and are not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Income Statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

3 Accounting policies ***(continued)***

Business combinations ***(continued)***

Acquisition related costs are expensed as incurred.

The excess of the:
- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the Income Statement as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the Income Statement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the Income Statement.

Employment benefits

Provision is made in the financial statements for all employee benefits. Liabilities for wages and salaries, including non monetary benefits and annual leave obliged to be settled within 12 months of the reporting date, are recognised in accruals.

Contributions to defined contribution pension plans are charged to the Income Statement in the period to which the contributions relate.

William Armes Limited, a subsidiary of the Group operates a defined benefit pension plan for certain employees.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The interest element of finance lease payments is charged to the Income Statement as finance costs over the period of the lease. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Borrowing costs

Borrowing costs are recognised in the Income Statement in the period in which they are incurred.

3 Accounting policies ***(continued)***

Invoice discounting

The Group has an invoice discounting arrangement. The amount owed by customers to the Group are included within trade receivables and the amount owed to the invoice discounting company is included within borrowings. The amount owed to the invoice discounting company represents the difference between the amounts advanced by the invoice discounting company and the invoices discounted. The interest element of the invoice discounting charges and other related costs are recognised as they accrue and are included in the Income Statement with other finance costs.

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Chief Operating Decision Maker has been identified as the Board of Executive Directors, at which level strategic decisions are made.

Details of the company's reporting segments are provided in note 6.

4 International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of the historical financial information, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the company.

Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of, this historical financial information, the following may have an impact going forward:

New/Revised International Financial Reporting Standards	Effective date: Annual periods beginning on or after:	EU adopted
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2018	Yes
IFRS 15 Revenue from Contracts with Customers	1 January 2018	Yes
IFRS 16 Leases	1 January 2019	Yes

Management anticipates that all relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not listed below are not expected to have a material impact on the company's financial statements.

IFRS 9 'Financial Instruments'

The new standard for financial instruments (IFRS9) introduces extensive changes to IAS39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

Management have assessed the impact of IFRS 9. The main areas of expected impact are as follows:

• the classification and measurement of the group's financial assets will need to be reviewed based on the new criteria that considers the assets' contractual cash flows and the business model in which they are managed;
• an expected credit loss based impairment will need to be recognised on the group's trade receivables, unless classified as at fair value through the Income Statement in accordance with the new criteria;

The directors are not aware that the adoption of IFRS 9 will have a material impact on the financial statements.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue related Interpretations. The new standard establishes a control based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

Under IFRS 15, revenue will be recognised when a customer obtains control of the goods.

The directors are not aware that the adoption of IFRS 15 will have a material impact on the financial statements, however additional disclosures will be required in the financial statements under the new standard.

4 International Financial Reporting Standards in issue but not yet effective (continued)

IFRS 16 'Leases'

IFRS16 will replace IAS17 and three related Interpretations. It completes the IASB's long running project to overhaul lease accounting. Leases will be recorded on the statement of financial position in the form of a right of use asset and a lease liability.

Management is yet to fully assess the impact of the Standard and therefore is unable to provide quantified information. However, in order to determine the impact, the Group are in the process of:

• performing a full review of all agreements to assess whether any additional contracts will now become a lease under IFRS 16's new definition;

• deciding which transitional provision to adopt; either full retrospective application or partial retrospective application (which means comparatives do not need to be restated). The partial application method also provides optional relief from reassessing whether contracts in place are, or contain, a lease, as well as other reliefs. Deciding which of these practical expedients to adopt is important as they are one off choices;

• assessing their current disclosures for operating leases as these are likely to form the basis of the amounts to be capitalised and become right of use assets;

• determining which optional accounting simplifications apply to their lease portfolio and if they are going to use these exemptions; and

• assessing the additional disclosures that will be required.

The directors have estimated that the gross impact on assets / liabilities to be less than £50,000. The impact on profit before tax is expected to be less than £2,000.

5 Judgements and key sources of estimation uncertainty

The preparation of the financial statements, in conformity with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses during the period. These judgements, estimates and assumptions are continually evaluated by management and are based upon historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

- Impairment of trade receivables

To determine whether debtors are recoverable, consideration is made of any objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including observable data that come to the attention of the company or other factors which may also be evidence of impairment, including significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in respect of that financial asset.

- Defined benefit pension scheme

Assumptions for future inflation linked pension increases (where applicable) are based on the appropriate headline index, adjusted where necessary to reflect any caps or collars, bearing in mind the proximity of the future inflation assumption to those caps and collars and the expected variability of future inflation increases. All other assumptions have been set in accordance with the statement of funding principals. No allowances have been made for members transferring benefits out of the scheme in future. The assumptions selected and associated sensitivity analysis are disclosed in note 30.

- Inventory valuation

This is provided for on the basis of the age of the items and dependent on the frequency of component use. The Group makes appropriate provision for slow-moving and discontinued inventory items although a significant shift in consumer market or customer demand may result in additional provision.

- Valuation of land and buildings

The Group carries it land and buildings at fair value, with changes in fair value being recognised in the revaluation reserve. The Group engaged independent valuation specialists to determine fair value at 31 December 2018 and also in relation to the original acquisition of William Armes Holdings Limited. Significant changes in the commercial property market may impact the valuation of the Group's property.

- Acquisition accounting balances

The Group made two acquisitions in the year, one of which resulted in the recognition of a gain in bargain purchase. This balance arose after due additional consideration of the assets and liabilities acquired and it is the view of management that this has been appropriately recognised. Further information in relation to this, and the acquisitions, is provided in note 28.

6 Segmental reporting

For the purposes of segmental reporting, the company's Chief Operating Decision Maker (CODM) is considered to be the Executive Board of Directors. The Board has not identified any separate operating segments within the business. The Board reviews revenue and expenses for the business as a whole and makes decisions about resources and assesses performance based on this information.

Revenue is derived from continuing operations and arises entirely through the sale of goods. Segmental analysis is therefore not presented.

The group is not reliant on any one customer and no customer exceeds 10% of total annual turnover.

The group generates revenue from both the UK and overseas as detailed below:

	18 month period ended 31 December 2018 £	unaudited 6 month period ended 30 June 2017 £
UK	3,877,626	-
Non-UK	137,639	-
	4,015,265	-

7 Operating profit

Operating profit is stated after charging:

	18 month period ended 31 December 2018 £	unaudited 6 month period ended 30 June 2017 £
Depreciation of property, plant and equipment	65,023	-
Difference on foreign exchange	(2,072)	-
Auditor's remuneration:		
- audit services	40,000	-
- tax compliance services	6,500	-
- non-audit services in relation to reporting accountant services	61,958	-
Operating lease expense:		
- property	27,000	-
- plant	55,665	-
Exceptional items		
- acquisition costs	136,147	-
- redundancy costs following acquisition	139,123	-
- listing costs	62,356	-

Exceptional items relate to costs of acquisition of Williams Armes Holdings Limited and redundancy payments following the acquisition by Likewise Group Plc as well as costs involved in the listing of Likewise Group Plc following the period end.

8 Directors and employees

The aggregate payroll costs of the employees (including directors) were as follows:

	18 month period ended 31 December 2018 £	unaudited 6 month period ended 30 June 2017 £
Staff costs		
Wages and salaries	955,080	-
Social security costs	68,701	-
Pension costs	40,681	-
	1,064,462	-

Average monthly number of persons employed by the company during the period was as follows:

	18 month period ended 31 December 2018 No.	unaudited 6 month period ended 30 June 2017 No.
Directors	4	-
Other employees	33	-
	37	-

Average number of employees for the current period are calculated from January 2018 when the Group ceased to be dormant.

Remuneration of directors	18 month period ended 31 December 2018 £	unaudited 6 month period ended 30 June 2017 £
Remuneration	85,615	-
Social security costs	6,647	-
Company pension contribution to defined contribution schemes	8,898	-
	101,160	-

	2018 No.	2017 No.
Directors accruing benefits under money purchase pension schemes	1	-

9 Other operating income

	18 month period ended 31 December 2018 £	unaudited 6 month period ended 30 June 2017 £
Sundry income	2,400	-
	2,400	-

10 Finance income

	18 month period ended 31 December 2018 £	unaudited 6 month period ended 30 June 2017 £
Bank interest receivable	116	-

11 Finance costs

	18 month period ended 31 December 2018 £	unaudited 6 month period ended 30 June 2017 £
Bank loan interest payable	81,072	-
Invoice discounting facility interest payable	2,299	-
Other bank interest payable	23	-
	83,394	-

12 Taxation on ordinary activities

Analysis of credit in the period	18 month period ended 2018 £	unaudited 6 month period ended 2017 £
Current tax	-	-
Deferred tax	14,960	-
	14,960	-

12 Taxation on ordinary activities ***(continued)***

	18 month period ended 2018 £	unaudited 6 month period ended 2017 £
Profit on ordinary activities before taxation	1,137,457	-
Tax on profit on ordinary activities at 19%	(216,117)	-
Fixed asset differences	(291)	-
Expenses not deductible for tax purposes	(196,836)	-
Timing differences not recognised	(54,502)	-
Non taxable consolidation adjustments	479,203	-
Adjust closing deferred tax to average rate	(55,722)	-
Adjust opening deferred tax to average rate	54,516	-
Deferred tax not recognised	4,709	-
Total tax credit for the year	14,960	-

13 Profit per share

Basic profit per share is based on the profit after tax for the period and the weighted average number of shares in issue during each period.

	18 month period ended 31 December 2018	unaudited 6 month period ended 30 June 2017
	£	£
Profit attributable to equity holders of the company	1,152,417	-
	No.	No.
Weighted average number of shares in issue	1,981,437	100

Weighted average number of shares have been calculated from when the Group commenced activities on 9 January 2018.

	£	£
Basic profit per share	0.58	-
Diluted profit per share	0.58	-

There are no potentially dilutive ordinary shares and therefore the basic profit per share equals diluted profit per share.

14 Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fittings	Computer equipment	Total
Consolidated	**£**	**£**	**£**	**£**	**£**
Cost or Valuation					
At 1 January 2017	-	-	-	-	-
At 30 June 2017	-	-	-	-	-
Additions on acquisition of subsidiaries	3,100,000	45,962	20,106	16,708	3,182,776
Additions	-	-	1,138	4,475	5,613
At 31 December 2018	3,100,000	45,962	21,244	21,183	3,188,389
Depreciation					
At 1 January 2017	-	-	-	-	-
Charge for the period	-	-	-	-	-
At 30 June 2017	-	-	-	-	-
Charge for the period	48,257	6,081	1,757	8,928	65,023
Eliminated on revaluation	(48,257)	-	-	-	(48,257)
At 31 December 2018	-	6,081	1,757	8,928	16,766
Net book value					
At 1 January 2017	-	-	-	-	-
At 30 June 2017	-	-	-	-	-
At 31 December 2018	3,100,000	39,881	19,487	12,255	3,171,623

Included in land and buildings is land with a cost of £687,167 which is not depreciated.

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurement of the Group's freehold land and buildings as at 31 December 2018 was performed by Kemsley LLP, independent valuers not related to the Group. Kemsley are Property Consultants and have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was determined on an open market basis.

If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2018	2017
Freehold land and buildings	£	£
Cost	3,100,000	-
Accumulated depreciation	(48,257)	-
Net book amount	3,051,743	-

Depreciation is included within administrative expenses.

The Company held no fixed assets in the period.

15 Subsidiaries

At 31 December 2018, the Company had the following investments in active subsidiaries

Name of subsidiary	Principal activity
Likewise Trading Limited	Wholesale distribution of floor coverings and associated products
William Armes Holdings Limited	Holding company
William Armes Limited (100% subsidiary of William Armes Holdings Limited)	Wholesale distribution of floor coverings and associated products

All companies are incorporated in Great Britain and carry out activities in the United Kingdom.

Likewise Group Plc owns 100% of the ordinary share capital of Likewise Trading Limited and William Armes Holdings Limited. All companies are registered at the Likewise Group Plc registered address.

	Shares in Group undertakings
Company	**£**
Cost	
At 30 June 2017	-
Additions	1,700,100
At 31 December 2018	1,700,100

On 9 January 2018, the Company purchased 100% of the share capital of William Armes Holdings Limited for consideration of £1,700,000

On 10 July 2018, the Company incorporated Likewise Trading Limited with share capital of £100.

On 28 September 2018, Likewise Trading Limited purchased the trade and assets of Bruce Starke & Co Limited for consideration of £1,147,752.

The Group considers impairment of its subsidiaries annually, this is assessed in the context of the Group's structure, and if appropriate an impairment provision is made.

16 Deferred tax

Details of the deferred tax asset are as shown below:

	Consolidated		Company	
		unaudited		unaudited
	31 December 2018	30 June 2017	31 December 2018	30 June 2017
	£	£	£	£
Fixed asset timing differences	62,382	-	-	-
Short term timing differences	735	-	-	-
Taxable losses and other deductions	608	-	-	-
	63,725	-	-	-

17 Inventories

	Consolidated		Company	
		unaudited		unaudited
	31 December 2018	30 June 2017	31 December 2018	30 June 2017
	£	£	£	£
Finished goods and goods for resale	1,771,931	-	-	-
	1,771,931	-	-	-

		unaudited		unaudited
	18 month period ended 31 December 2018	6 month period ended 30 June 2017	18 month period ended 31 December 2018	6 month period ended 30 June 2017
		£	£	£
Amounts of inventories recognised as an expense during the period as cost of sales are:	2,190,003	-	-	-
Amounts of inventories impaired during the period are:	146,724	-	-	-

18 Trade and other receivables

	Consolidated		Company	
		unaudited		unaudited
	31 December 2018	30 June 2017	31 December 2018	30 June 2017
	£	£	£	£
Trade receivables	991,591	-	31,881	-
Amounts owed by group undertakings	-	-	2,122,072	-
Other receivables	127,792	-	7,993	-
Prepayments	62,442	-	1,331	-
	1,181,825	-	2,163,277	-

All of the above amounts are financial assets of the Group and parent company except certain prepayments.

The directors consider the carrying value of trade and other receivables is approximate to its fair value, after incorporating an impairment provision of £24,940 (2017: £Nil).

Trade receivables comprise amounts due from customers for goods sold. The Group's normal trade credit terms range from 30 to 60 days and therefore all are classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The Group’s credit risk is primarily attributable to its trade receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

18 Trade and other receivables ***(continued)***

Trade receivables are aged at the reporting date as detailed below:

	Consolidated		Company	
		unaudited		unaudited
	31 December 2018	30 June 2017	31 December 2018	30 June 2017
Not more than 30 days	845,339	-	31,881	-
More than 30 days but not more than 60 days	115,294	-	-	-
More than 60 days but not more than 90 days	29,575	-	-	-
More than 90 days	1,383	-	-	-
	991,591	-	31,881	-

The standard credit terms for customers of the Group are 30 days and therefore all balances shown above with an ageing of more than 30 days are considered past due by the Directors. There are a limited number of customers who are granted extended credit terms but these are not considered material to the financial statements.

The carrying amounts of the trade receivables include receivables which are subject to a factoring agreement. Under this arrangement, William Armes Limited, has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, William Armes Limited has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its Statement of Financial Position. The amount repayable under the factoring agreement is presented as secured borrowing. The Group considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are:	31 December 2018	30 June 2017
	£	£
Transferred receivables	307,665	-
Associated secured borrowings	(261,515)	-

19 Cash and cash equivalents

	Consolidated		Company	
		unaudited		unaudited
	31 December 2018	30 June 2017	31 December 2018	30 June 2017
	£	£	£	£
Cash at bank and in hand	384,389	100	114,702	100
	384,389	100	114,702	100

20 Trade and other payables

	Consolidated		Company	
		unaudited		unaudited
	31 December 2018	30 June 2017	31 December 2018	30 June 2017
	£	£	£	£
Trade payables	600,427	-	70,801	-
Amounts owed to group undertakings	-	-	34,105	-
Other taxation and social security	185,054	-	18,363	-
Other payables	388,663	-	359,132	-
Accruals	190,625	-	92,244	-
	1,364,769	-	574,645	-

Trade creditors and accruals principally comprise amounts outstanding in relation to trade purchases and ongoing costs. Trade payables are unsecured and the Group has financial risk management procedures in place to ensure that all payables are paid within pre-agreed credit terms.

The directors consider the carrying value of trade and other receivables is approximate to its fair value due to their short term nature.

All of the above amounts are financial liabilities of the Group and parent company except social security and other taxes.

21 Borrowings

	Consolidated		Company	
		unaudited		unaudited
	31 December 2018	30 June 2017	31 December 2018	30 June 2017
	£	£	£	£
Current borrowings - Secured				
Invoice discounting facility	261,515	-	-	-
Bank loans	126,129	-	126,129	-
	387,644	-	126,129	-
Non-current borrowings - Secured				
Bank loans	2,130,306	-	2,130,306	-
	2,130,306	-	2,130,306	-

The directors consider that the carrying amount of the invoice discounting facility and bank loan approximates their fair value.

The invoice discounting facility is secured against the related trade debtor balances and by a floating charge over the assets of the Group. The invoice discounting facility is denominated in Sterling and Euro.

	Carrying Amount		Undiscounted future commitment	
		unaudited		unaudited
	31 December 2018	30 June 2017	31 December 2018	30 June 2017
	£	£	£	£
Amounts repayable under bank loans				
Within one year	126,129	-	201,994	-
In the second to fifth year inclusive	539,594	-	797,268	-
Beyond five years	1,590,712	-	1,854,811	-
	2,256,435	-	2,854,073	-

21 Borrowings ***(continued)***

The effective interest rates paid were as follows:

	2018	2017
Invoice discounting facility	0.2%*	N/A
Bank loan	see below	N/A

*The invoice discounting facility incurs service charges of 0.2% of the notified value of the related debt subject to a minimum service charge of £500 per month.

During the period the Company obtained a bank loan of £2,280,000. Repayments commenced on 5th August 2018 and will continue until 5th January 2033. The loan is secured by a fixed and floating charge over the Group's assets. The loan carries interest at on a floating rate basis with interest at Bank of England rate plus a margin of 2.95%.

This loan is at a floating interest rate and exposes the Group to fair value interest rate risk.

There were no defaults of the loan during the period.

22 Financial instruments

Classification of financial instruments

The fair value hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The Group does not hold any financial instruments measured at fair value through the Income Statement.

The tables below set out the company's accounting classification of each class of its financial assets and liabilities.

Financial assets

	Loans & Receivables			
	Consolidated		Company	
		unaudited		unaudited
	31 December	30 June	31 December	30 June
	2018	2017	2018	2017
		£	£	
Trade receivables	991,591	-	31,881	-
Amounts owed by group undertakings	-	-	2,122,072	-
Other receivables	127,792	-	7,993	-
Cash and cash equivalents	384,389	100	114,702	100
	1,503,772	100	2,276,648	100

All of the above financial assets' carrying values are approximate to their fair values, as at each reporting date disclosed.

22 Financial instruments *(continued)*

Financial liabilities

	Measured at amortised cost			
	Consolidated		Company	
		unaudited		unaudited
	31 December 2018	30 June 2017	31 December 2018	30 June 2017
	£	£	£	£
Non-current				
Bank loans	2,130,306	-	2,130,306	-
Current				
Trade payables	600,427	-	70,801	-
Amounts owed to group undertakings	-	-	34,105	-
Other payables	388,663	-	359,132	-
Accruals	190,625	-	92,244	-
Invoice discounting facility	261,515	-	-	-
Bank loans - current	126,129	-	126,129	-
	3,697,665	-	2,812,717	-

All of the above financial liabilities' carrying values are considered by management to be approximate to their fair values, as at each reporting date disclosed.

23 Financial instrument risk exposure and management

The company's operations expose it to degrees of financial risk that include liquidity risk, credit risk, interest rate risk, and foreign currency risk.

This note describes the company's objectives, policies and process for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented in the notes above.

Credit risk

The company's credit risk is primarily attributable to its cash balances and trade receivables.

In respect of trade and other receivables, the company is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The ageing profile of the trade receivables balance can be seen in note 18 above.

The group's total credit risk amounts to the total of the sum of the receivables and cash and cash equivalents. At the 2018 reporting date this amounts to £1,503,772 (2017: £100).

Interest rate risk

The company has secured debt consisting of an invoice discounting facility and bank loan.

The interest on the bank loan and discounting facility are at floating rates, however interest rate risk is considered to be limited.

The company's only other exposure to interest rate risk is the interest received on the cash held on deposit, which is immaterial.

23 Financial instrument risk exposure and management *(continued)*

Foreign exchange risk

Most of the Group's transactions are carried out in GBP. Exposures to foreign currency exchange rates arise from the company's overseas sales and purchases, which are denominated in a number of currencies, primarily EUR.

The Group assesses exposure and takes out forward currency contracts to mitigate this foreign exchange risk. As at the 31 December 2018 the value of forward Euro contracts held by the subsidiary company, William Armes Limited, totalled £103,120. These contracts expire at various dates between 4 January 2019 and 8 February 2019.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances to ensure the Group can meet liabilities as they fall due, and ensuring adequate working capital using invoice financing arrangements.

In managing liquidity risk, the main objective of the Group is therefore to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due.

The table below shows the undiscounted cash flows on the company's financial liabilities as at 31 December 2018 on the basis of their earliest possible contractual maturity. There were no financial liabilities of the Group in 2017 or prior periods.

At 31 December 2018

	Total	On demand	Within 3 months	3 - 12 months	1-2 years	Greater than 2 years
	£	£	£	£	£	£
Trade payables	600,427	600,427	-	-	-	-
Other taxation and social security	185,054	-	185,054	-	-	-
Other payables	388,663	30,881	357,782			
Accruals	190,625	-	190,625	-	-	-
Invoice discounting facility	261,515		261,515			
Bank loans	2,854,073	-	50,523	151,569	202,092	2,449,889
	4,480,357	631,308	1,045,499	151,569	202,092	2,449,889

24 Capital management

The company's capital management objectives are:

- To ensure the company's ability to continue as a going concern; and
- To provide long term returns to shareholders.

The company defines and monitors capital on the basis of the carrying amount of equity plus its outstanding borrowings, less cash and cash equivalents as presented on the face of the Statement of financial position as detailed below:

	31 December 2018	unaudited 30 June 2017
	£	£
Equity	2,690,774	100
Borrowings	2,517,950	-
Cash and cash equivalents	(384,389)	(100)
	4,824,335	-

The Board of directors monitors the level of capital as compared to the company's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares or adjusting the level of debt. The company is not subject to any externally imposed capital requirements.

25 Share capital

Consolidated and Company **Allotted, called up and fully paid**	31 December 2018 No.	unaudited 30 June 2017 No.
Ordinary shares of £0.01 each (2017: Ordinary shares of £1 each)	50,000,000	100

The Company has one class of ordinary share which carry no right to fixed income.

On 17 December 2018 the Company subdivided its 100 £1 Ordinary shares into 10,000 £0.01 Ordinary shares. Subsequent to this, on the 17 December, the Company allotted 49,990,000 new £0.01 Ordinary shares for consideration of £700,000, resulting in share premium of £200,100.

As at the reporting date, the Company had received £800,000, to subscribe for new equity, which is held within equity as share capital to be issued.

On 9 January 2019, the Company allotted 8,000,000 new £0.01 shares in exchange for these funds (see note 35 for further details of post period end share issues).

26 Share premium

	31 December 2018	unaudited 30 June 2017
Consolidated and Company	£	£
Balance at start of period	-	-
Premium arising on issue of equity shares (see note 25)	200,100	-
Balance at end of period	200,100	-

27 Operating leases

Payments recognised as an expense are disclosed in note 7 and include the cost of short term hire of plant and machinery.

The aggregate future minimum lease payments under non cancellable operating lease commitments are detailed below:

	Land and Buildings 2018	Plant and equipment 2018	Land and Buildings 2017	Plant and equipment 2017
	£	£	£	£
Not later than 1 year	81,000	48,868	-	-
Later than 1 year and not later than 5 years	-	46,380	-	-
	81,000	95,248	-	-

28 Business combination and acquisition of trade and assets

On 9 January 2018, the Company acquired the entire share capital of William Armes Holdings Limited, a wholesale distributor of floor coverings and associated products, in line with the Group's objective of advancing the commercial and operational reach of the Group. Consideration of £1,700,000 was paid, funded by a bank loan. As part of the purchase, Likewise Group assumed responsibility for the defined benefits pension scheme for William Armes Holdings. At the time of the acquisition, the William Armes business was trading at a break even position and the overall commercial environment was taken into account in arriving at the consideration paid. The directors of Likewise Group Plc considered the purchase price to be fair given the position of the company and have undertaken appropriate additional procedures to validate the fair value of the assets and liabilities acquired.

On 28 September 2018, Likewise Trading Limited, a subsidiary company of the Group, purchased the trade and assets of Bruce Starke & Co Limited for consideration of £1,147,752 funded by a loan from Likewise Group Plc.

The gain on bargain purchase and goodwill totalling £1,945,377 on acquisitions in the year has been recognised in profit in the period.

Recognised amounts of identifiable assets acquired and liabilities assumed

	William Armes Holdings Ltd			Bruce Starke & Co
	Book value	**Fair value adj**	**Fair value**	**Assets acquired**
	£	£	£	£
Tangible assets	3,777,776	(625,000)	3,152,776	30,000
Stocks	1,093,012		1,093,012	823,999
Debtors	672,418		672,418	400,643
Cash	146,335		146,335	-
Total assets	5,689,541	(625,000)	5,064,541	1,254,642
Creditors due within one year	(1,369,090)		(1,369,090)	(106,890)
Pension liability	(10,000)		(10,000)	-
Deferred tax	(40,074)		(40,074)	-
Total identifiable net assets	4,270,377	(625,000)	3,645,377	1,147,752
(Gain on bargain purchase) / goodwill			(1,945,377)	
Total purchase consideration			1,700,000	1,147,752

Acquisition related costs for the acquisition of William Armes Holdings Limited (included in administrative expenses) amounted to £136,147.

William Armes Holdings Limited and it's subsidiary company, William Armes Limited, contributed £3,321,063 revenue and a loss of £141,777 (including redundancy costs of £139,123 but excluding management charges from Likewise Group Plc) to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of William Armes Holding Limited and it's subsidiary company, William Armes Limited had been completed on the first day of the financial period, contribution to Group revenues would have been £4,968,017 a loss of £185,236 to Group's profit for the period.

29 Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities.

	Cash / bank overdraft	Borrowing due within one year	Borrowing due after one year	Total
	£	£	£	£
Net debt at 1 January 2017	100	-	-	100
Net debt at 30 June 2017	100	-	-	100
Cash flows	384,289	(261,515)	-	122,774
New bank loans	-	(126,129)	(2,130,306)	(2,256,435)
Net debt at 31 December 2018	384,389	(387,644)	(2,130,306)	(2,133,561)

30 Retirement benefit plans

Defined benefit scheme

William Armes Limited was purchased by the Group on 9 January 2018. William Armes Limited, operates a pension scheme providing benefits based on final pensionable pay. The Scheme is closed to new members and is closed to future accrual. For pensions earned after 5 April 1997 and for Guaranteed Minimum Pensions earned between 6 April 1998 and 5 April 1997, increases in payment will be in line with CPI rather than RPI. Revaluations of pensions in deferment are linked to RPI.

The assets of the Scheme are held separately from those of the Group in trustee-administered funds. The level of contributions is determined by a qualified actuary on the basis of triennial valuations. The latest full valuation was completed by an independent actuary on 31 December 2017.

The contribution paid for the period ended 31 December 2018 was £20,000 (2017: nil). It has been agreed with the trustee that contributions for the next year will be £20,000 (2017: £20,000).

The major assumptions used in this valuation are as follows:

	31/12/2018	**At acquisition**
Discount rate	2.80%	2.40%
Future salary increases	2.40%	2.70%
Inflation assumption	3.20%	3.20%
Mortality rates		
- for male aged 65 now	1.50%	1.50%
- for female aged 65 now	1.00%	1.00%

The amount recognised in the Statement of Financial Position in respect of the Group’s defined benefit retirement plan is as follows:

	31/12/2018	**At acquisition**
	£	**£**
Present value of funded obligations	(1,673,000)	(1,847,000)
Recognised fair value of plan assets	1,673,000	1,837,000
Net asset/(liability) recognised in the Statement of Financial Position	-	(10,000)

Amounts recognised in the Income Statement in respect of the defined benefit plan is as follows:

	period ended 31 December 2018	period ended 30 June 2017
	£	**£**
Interest on obligation	(43,000)	-
Interest income	43,000	-
	-	-

The charge for the period is included in the finance charges in the income statement.

30 Retirement benefit plans ***(continued)***

	period ended 31 December 2018 £	period ended 30 June 2017 £
Experience adjustments on plan assets (excluding amounts included in net interest cost) – (loss)/gain	(112,000)	-
Experience gains and losses arising on the defined benefit obligation – (loss)/gain	133,000	-
Asset surplus not recognised	(31,000)	
Total amount recognised in other comprehensive income – (loss)/gain	(10,000)	-

Cumulative actuarial gains and losses reported in the Statement of Comprehensive income was £10,000.

Changes in the present value of the defined benefit obligation are as follows:

	£
Defined benefit obligation at 9 January 2018	1,847,000
Interest cost	43,000
Benefit paid	(84,000)
Actuarial (loss)/gain	(133,000)
Defined benefit obligation at 31 December 2018	1,673,000

Changes in the fair value of plan assets are as follows:

	£
Fair value of plan assets at 9 January 2018	1,837,000
Interest income	43,000
Total contributions – employer	20,000
Benefits paid	(84,000)
Return on plan assets	(112,000)
Fair value of plan assets at 31 December 2018	1,704,000
Unrecognised surplus	(31,000)
Recognised value of plan assets at 31 December 2018	1,673,000

The fair value of plan assets at the reporting date is analysed as follows:

	31/12/2018 £	**At acquisition** £
Equities	1,655,000	1,515,000
Cash	49,000	322,000
	1,704,000	1,837,000

The plan assets do not include any of the Group's own financial instruments, nor any property occupied by, or other assets used by, the Group.

Due to the fact that the Group purchased the Company in which the defined benefit liability resides in the period, disclosure of historical information is not made.

30 Retirement benefit plans (continued)

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation was performed as part of the full 2017 valuation:

	Change in assumption	Change in liabilities
Pre retirement interest rate	Increase of 0.5%	Positive £14,000
Gap between RPI and CPI	kept at 0.5%	Negative £46,000
Rate of mortality	unchanged from prior report	Negative £52,000

Defined contribution scheme

The Group operates a defined contribution pension scheme, the assets of which are held separately from those of the Group in an independently administered fund. Contributions made by the Group to the scheme during the period amounted to £40,681 (2017: £Nil). The amount outstanding at the reporting date in respect of contributions to the scheme were £Nil (2017: £Nil).

31 Related party transactions

Key management personnel are identified as the Executive Board and their remuneration is disclosed as follows:

	18 month period ended 31 December 2018 £	unaudited 6 month period ended 30 June 2017 £
Remuneration of key management		
Remuneration	112,699	-
Social security costs	9,579	-
Company pension contribution to defined contribution schemes	8,898	-
	131,176	-

The company has traded with the following related parties as follows:

	At 31 December 2018 £	unaudited At 30 June 2017 £
Directors		
Share capital to be issued to A J Brewer (see note 25)	400,000	-
Share capital to be issued to A J W Simpson (see note 25)	400,000	-
Amounts owed to other investors	1,250	-

The loans from other investors were interest free and with no fixed date of repayment.

32 Ultimate controlling party

At 31 December 2018, the controlling party was considered to be Mr A J Brewer, by way of his shareholding in the share capital of the company.

On 11 January 2019, the Company listed on The International Stock Exchange (TISE).

33 Reserves

Share capital - this represents the nominal value of shares that have been issued.

Share premium - this reflects proceeds generated on issue of shares in excess of their nominal value and is a non-distributable reserve.

Revaluation reserve - this is used to record increases in the fair value of fixed assets and decreases to the extent that the decrease relates to a previous increase on the same asset. The revaluation reserve is a non-distributable reserve.

Retained earnings - this includes all current and prior period gains and losses and is a distributable reserve.

34 Transition to IFRS

This is the first time that the company has presented financial information under IFRS. The accounting policies set out above have been applied in preparing the financial information for all periods presented.

The previously published financial statements for the period ended 30 June 2017 and prior periods were dormant accounts and thus there have been no changes to prior balances as a result of conversion to IFRS.

35 **Post balance sheet events**

On 9 January 2019, the Company the Company allotted 70,000,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totalling £7,000,000. An additional 60,000,000 new shares were authorised but not issued at that date.

On 11 January 2019, the Company listed on The International Stock Exchange (TISE).

On 31 January 2019, Likewise Trading Limited, a subsidiary of the Company, acquired the entire issued share capital of Lewis Abbott Limited, a distributor of floor coverings, in line with the Group's objective of advancing the commercial and operational reach of the Group. Consideration of £1.2m was paid via an intercompany loan from Likewise Group Plc. The final completion accounting has not yet been prepared for this transaction and therefore full disclosure of the assets and liabilities purchased and the revenue and profits of Lewis Abbott Limited is not possible. Net assets acquired are estimated to be approximately £800,000 and the acquisition is expected to contribute annual revenue of approximately £2.3m to the Group.

On 16 April 2019, the company acquired the entire issued share capital of Heatseam Limited, a distributor of floor coverings, in line with the Group's objective of advancing the commercial and operational reach of the Group. Consideration of £7.5m was paid with further deferred consideration expected of approximately £500,000. In addition 2 million shares have been issued to the vendor. The final completion accounting has not yet been prepared for this transaction and therefore full disclosure of the assets and liabilities purchased and revenue and profits of Heatseam Limited is not possible. Net assets acquired are estimated to be approximately £3.8m and the acquisition is expected to contribute annual revenue of approximately £21m and profit before tax of £1.6m to the Group.

On 18 April 2019, the Company allotted 32,000,000 new £0.01 Ordinary shares for consideration of £0.25 per share, totalling £8,000,000.

On 30th April 2019, the company acquired the entire share capital of H&V Carpets BVBA (H&V) for consideration of one euro, in addition to a 10 year warrant for one million Likewise shares at 30 pence per share.

On 30th May 2019 the company allotted 341,994 ordinary shares of £0.01 each at an issue price of £0.33 each.